

**Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE**  
**held Hybrid - Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron / remotely via video**  
**conference on Wednesday, 29 January 2025**

PRESENT: Mr Alan Davies (Chair) Councillors Elizabeth Evans, Rhodri Evans, Wyn Evans, Mark Strong together with Mr Andrew Blackmore,

IN ATTENANCE: Councillor Matthew Vaux (Cabinet Member)

Audit Wales: Alison Lewis, Lucy Evans and Philippa Taylor

Officers in attendance: Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer; Mrs Alex Jenkins, Corporate Manager- Internal Audit, Mr Duncan Hall, Corporate Lead Officer – Finance & Procurement, Mr Alun Williams, Corporate Lead Officer – Policy & Performance & Public Protection, Mrs Donna Pritchard, Corporate Lead Officer – Porth Gofal, Mr Duncan Hall, Corporate Lead Officer – Finance & Recruitment, Mr Arwyn Davies, Corporate Manager- Growth & Enterprise, Mrs Katy Sinnett-Jones, Governance Officer; Mrs Dana Jones, Democratic Services and Standards Officer

(10:00 am -12:40pm )

**1 Apologies**

Councillor Maldwyn Lewis together with Mrs Caroline Whitby and Mr Jason Blewitt (AW) apologised for their inability to attend the meeting.

Councillor Bryan Davies and Keith Henson apologised for their inability to attend the meeting as he was on other Council business.

**2 Chair Announcements**

None.

**3 Disclosure of Personal / Prejudicial Interests**

None.

**4 To confirm the Minutes of the Governance and Audit Committee held on 15 October 2024 and to consider any matters arising from those Minutes**

It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held on the 15 October 2024.

**5 To confirm the Minutes of the Governance and Audit Committee held on 28 November 2024 and to consider any matters arising from those Minutes**

It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held on the 28 November 2024 subject to noting that Councillor Rhodri Evans had tenderd his apologies.

### **Matters Arising**

Minute 8- The Corporate Lead Officer-Legal and Governance & Monitoring Officer reported that the Healthier Communities Overview and Scrutiny Committee had considered the timeline of maintenance work being carried out in the Council's residential homes to ensure that they were completed in a timely manner. However, she was not aware if the action had been completed.

## **6 Governance and Audit Committee Actions Log**

It was AGREED to note the content of the Governance and Audit Committee Meetings Action Log as presented.

## **7 Regulator & Inspectorate Reports and Ceredigion County Council Responses**

Consideration was given to the Regulator & Inspectorate Reports and Ceredigion County Council Responses. The Report sets out Regulator and Inspectorate Reports and updates along with Council responses regarding progress made against proposals and recommendation. It had 3 parts:

- a) Audit Wales quarterly update to Governance and Audit Committee
- b) Any local risk work issued/published since the last Governance and Audit Committee meeting
- c) Audit Wales National Reports

Following presntation and questions from the floor on these reports by Officers of Audit Wales and Ceredigion County Council, it was AGREED to note

- (i) the Regulator and Inspectorate reports and Updates ; and
- (ii) the Council's response (Management Response Forms)

## **8 Ombudsman Own Initiative Investigation: Carers**

Consideration was given to the Ombudsman Own Initative Investigation:Carers repot. It was reported that the Ombudsman's office selected Ceredigion County Council, along with Flintshire, Neath Port Talbot, and Caerphilly, for an Own Initiative Investigation (OII) into how carers' needs assessments were administered under the Social Services and Wellbeing (Wales) Act 2014. Ceredigion had been chosen due to its high proportion of part-time unpaid carers, low conversion rate of assessments into support plans, and its partnership approach to assessments. The investigation also aimed to examine how rurality and Welsh language use affected support for carers.

The investigation had taken several months and included four stages: evidence gathering, fact-finding, report publication, and post-investigation

monitoring. The final report, received on 17th October 2023 (embargoed until 31st October), made 11 key recommendations, to be implemented within six months and these were outlined in the report.

Following questions from the floor, it was AGREED to note the contents of the report and the recommendations made.

## **9 Draft Annual Governance Statement 2024-25**

It was reported that a workshop was held on 8<sup>th</sup> of November 2024 for relevant Officers and Committee Members to consider progress on the actions set out in the 2024-2025 AGS and Governance Framework review document.

During this workshop, the Governance Framework review was reviewed to consider any updated evidence which will be included in the Annual Governance Statement for 2024-25 and to reflect on previously identified actions as set out in part 6.

Currently, the Draft Annual Governance Statement 2023/24 contained an Action Plan for the AGS 24/25 set out in Part 7:

This had been prepared in accordance with the framework. It included:

- An acknowledgment of responsibility for ensuring good governance;
- Reference to the assessment.
- An opinion on the level of assurance that the governance arrangements can provide;
- A progress report on how issues identified last year have been resolved.
- An agreed action plan to deal with governance issues over the next year; and
- A conclusion.

It was proposed that the:-

- Progress against the Action Plan within the Annual Governance Statement for 2024-25 would be monitored.
- Actions to date had been updated.
- Thereafter, throughout the year the AGS would be brought back to future Governance and Audit Committee meetings for consideration including progress of the Action Plan, before being presented with the statement of accounts in the Autumn 2025.

It was AGREED

- (i) to note the contents of this report; and
- (ii) note the Draft Annual Governance Statement 2024-25 including the Action Plan - Part 7

## **10 Internal Audit Progress Report 1/7/24 - 30/9/24**

Consideration was given to the report of the Corporate Manager-Internal Audit on The Internal Audit Progress Report Quarter 2. The report had been presented to ensure that the Committee was satisfied that the Internal Audit Section was undertaking sufficient and appropriate work in order to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.

It was AGREED to note the work undertaken and current position of the Internal Audit Service.

**11 Internal Audit Management Actions Report 1/4/24 - 30/9/24**

Consideration was given to the Report upon the Internal Audit Management Actions Report 1/4/24 - 30/9/24. It was reported as stated in the Institute of Internal Auditor's International Professional Practices Framework, Performance Standard 2500 states that Internal Audit must establish a process to monitor and follow up management actions.

The Corporate Manager – Internal Audit stated that she had the responsibility for monitoring progress made against these actions and reporting to Governance & Audit Committee. The report updated the Governance & Audit committee of progress made by management in addressing management actions issued in the action plan of Internal Audit reports.

It was AGREED to

- (i) note the work undertaken and current position of the Internal Audit and
- (ii) that all references in reports should be to work undertaken by Internal Audit and not any additional terminology such as Internal Audit Section

**12 Draft Internal Audit Charter 2025/2026**

Consideration was given to the Draft Internal Audit Charter 2025/26. It was reported that the Global Internal Audit Standards standard 6.2 stated that 'the chief audit executive must develop and maintain an internal audit charter. The charter was a formal document that defines the internal audit activity's mandate, purpose, authority and responsibility, and establishes internal audits' position within the organisation and reporting relationships.

Additionally, the charter confirms the Governance & Audit Committee's responsibilities to the Internal Audit function, the Corporate Manager – Internal Audit's role and responsibilities in managing the Internal Audit function and the scope and types of services carried out by the function.

CSC's Internal Audit Charter was originally approved in March 2013. The draft 2025/26 IA Charter had been reviewed and updated by the CMIA and aligned to the new Global Internal Audit Standards, draft Local Government Application Note and CIPFA's Code of Practice: Governing Internal Audit.

The updates include:

- The Internal Audit Mandate;
- Changes to the Internal Audit Mandate & Charter; and

- The purpose of Internal Audit;

It was reported that the draft charter would be reviewed following the publication of the final Local Government Application Note and Code of Practice: Governing Internal Audit and any amendments be re-presented to the Governance & Audit Committee in March 2025.

It was AGREED to note the contents of the Draft Charter and APPROVE as a draft.

### **13 Corporate Risk Register Q2**

It was reported that regular reports were provided to the Governance and Audit Committee regarding the Council's Corporate Risk Register to provide on-going information and assurance that risks identified by senior managers were managed appropriately. This reinforces the Governance and Audit Committee role of providing independent assurance to Council of the appropriate management of the Corporate Risk Register.

A review of the latest risk status was conducted at the Leadership Group meeting on 18.12.24 where candidates for promotion / demotion to the Corporate Risk Register were discussed and the latest Corporate Risk Register was agreed.

De-escalated from corporate to service  
None

Escalated from service to corporate  
None

Corporate risk score changes

As a result of successful mitigating actions, the corporate risks R020: Ash Dieback and R023: Systems end of Life scores had both reduced from 20 to 16. The risk score for R021: Phosphates had also been reduced.

All other risks had been reviewed and included the revised RAG status of mitigating actions and updated commentary. The latest Scrutiny Committee review dates for risks are included on the summary page.

It was AGREED to note the update Corporate Risk Register.

### **14 Revaluations programme for Property, Plant and Equipment**

Consideration was given to the Report upon the Revaluations programme for Property, Plant and Equipment. It was reported that:-

- CCC's assets were generally revalued according to a rolling 5-year programme, although a few groups of assets are revalued on an annual basis.

- Audit Wales had reported significant issues over a number of years around asset valuations, focusing on timeliness, communications and quality assurance of the valuations process.
- Specifically relating to the 2022/23 accounts, Audit Wales recommended that CCC address three specific areas that may have an impact on the value of assets reported in the annual accounts.
- Included within the Property, Plant and Equipment note for 2022/23 is £44.3m of revaluations made during the year. In their report, AW state: 'The revaluations are a significant estimate which are generally calculated by multiplying the floor area of an asset by an industry standard rate (Building Cost Information Service (BCIS) rate). Once calculated the figure is adjusted for other factors such as professional fees, location factor, obsolescence factor etc.'
- The three areas that AW recommended that CCC should address were:
  - To ensure that the BCIS rates used are reviewed at the time of production of the accounts to ensure the correct BCIS rates are used.
  - To ensure that the correct professional fees rates are applied to the revaluation process, and that senior officers are sighted and approve the professional fees rate to be used for the annual accounting period.
  - To ensure that floor areas recorded within the Asset Management system agree with the supporting floor plans filed on the system. It was accepted that resolving this issue fully may take up to five years as the quinquennial programme of asset revaluations is delivered.
- It was agreed that the Assets service should provide a report to Governance and Audit Committee on the progress towards addressing these issues.

In reporting the progress made in addressing the issues, they had the benefit of having provided a revaluation programme for PPE for the 2023/24 accounts, which had already been reported to the Governance and Audit Committee.

In summary, full and satisfactory conclusion was reached in addressing the first two as follows:

- At the point of revaluation of the assets in the programme, the most up-to-date BCIS rates were identified (Quarter 4 rates), and these were used as the basis for the revaluations.
- The service gathered evidence of standard professional fees used by the industry (BCIS and SPONs Architects and Builders price books, as well as tenders received by CCC was used as evidence). Asset Service managers made a recommendation to Leadership Group use a 10% figure for Professional Fees as the data for 2023/24 did not provide sufficient evidence to deviate from the figure used in 2022/23.

This would be kept under constant review to ensure the appropriate professional fees figure is used in the relevant accounting year.

It was reported that they had been working to improve the accuracy of the area information on the Asset Management software to improve the robustness of the information on the system. In principle, the data in the asset register was always taken from plans provided to the property services team. It was a manual process, and as such there may be some risk of human error in interpreting and inputting information from drawings provided, but there was an on-going commitment to ensure this information was checked on an on-going basis. During the previous revaluations cycle (that informed the 2023/24 valuation exercise), the following was undertaken:

- The Asset Management register was updated when new information was presented relating to building alterations, supported by updated building plans.

- A manual check of 182 blocks was carried out on a prioritised basis, based on evidence of where there may have been discrepancies in the past between values on the register and data on plans. As part of this process, some 130 discrepancies were corrected. This forms part of a continuous process to review in line with the program over the current 5 year programme to ensure consistency as reported previously to Governance and Audit Committee. This was further reported to the Leadership group in February 2024, in order to underline the importance of achieving as accurate a position as possible. Alterations to buildings form part of an on-going programme involving assets of CCC, but there was a shared understanding of the need to provide updated plans to ensure that the information on the asset register, taken during the valuations process reflected the current status of the assets, and to ensure that values truly reflect the asset portfolio of CCC.

The Audit Wales report on CCC's Accounts for 2023/24 identified that improvements had been achieved in the areas identified in the report on the 2022/23 accounts. However, some areas of concern remain, including the fact that 3 inaccuracies were identified in floor areas that had previously been reviewed as part of the 182 blocks assessed during the year. Further work was being carried out to understand the nature of the discrepancy. As stated previously, recording the floor areas from floor plans was a manual process that also included an element of interpretation of, in some cases, complex plans. The service would continue to work to ensure that revaluations were based on the most accurate information possible.

It was reported that the assets team would focus on the issues raised by Audit Wales in its previous reports as the programme of revaluations for 2024/25 gets underway. Schools were included in the programme of revaluations for 2024/25, therefore the number of assets included was larger than in the average year. Experienced External surveyors had been procured to support the assets team to ensure the programme was delivered on time and to the correct standards. It was expected their professional experience in delivering similar services for their public authorities would also be useful as it would assist the service to seek improvements to the way the revaluations programme was delivered.

Following questions from the floor, it was AGREED to note the current position.

**15 Forward Work Programme**

It was AGREED to note the content of the Forward Work Programme as presented.

**16 Any other matter which the Chair decides is for the urgent attention of the Committee**

**Confirmed at the Meeting of the Governance and Audit Committee held  
on 26 March 2025**

**Chairman:** \_\_\_\_\_

**Date:** \_\_\_\_\_